

Office of the Commissioner for Federal Judicial Affairs Canada
Statement of Management Responsibility

Responsibility for the integrity and objectivity of the accompanying financial statements for the year ended March 31, 2012, and all information contained in these statements rests with the management of the Office of the Commissioner for Federal Judicial Affairs Canada. These financial statements have been prepared by management using the Government's accounting policies, which are based on Canadian public sector accounting standards.

Management is responsible for the integrity and objectivity of the information in these financial statements. Some of the information in the financial statements is based on management's best estimates and judgment, and gives due consideration to materiality. To fulfill its accounting and reporting responsibilities, management maintains a set of accounts that provides a centralized record of the department's financial transactions. Financial information submitted in the preparation of the Public Accounts of Canada, and included in the department's *Departmental Performance Report*, is consistent with these financial statements.

Management is also responsible for maintaining an effective system of internal control over financial reporting (ICFR) designed to provide reasonable assurance that financial information is reliable, that assets are safeguarded and that transactions are properly authorized and recorded in accordance with the *Financial Administration Act* and other applicable legislation, regulations, authorities and policies.

Management seeks to ensure the objectivity and integrity of data in its financial statements through careful selection, training and development of qualified staff; through organizational arrangements that provide appropriate divisions of responsibility; through communication programs aimed at ensuring that regulations, policies, standards, and managerial authorities are understood throughout the department and through conducting an annual risk-based assessment of the effectiveness of the system of ICFR.

The system of ICFR is designed to mitigate risks to a reasonable level based on an on-going process to identify key risks, to assess effectiveness of associated key controls, and to make any necessary adjustments.

The Office of the Commissioner for Federal Judicial Affairs Canada will be subject to periodic Core Control Audits performed by the Office of the Comptroller General and will use the results of such audits to adhere to the Treasury Board *Policy on Internal Control*.

The financial statements of the Office of the Commissioner for Federal Judicial Affairs Canada have not been audited.

(original version signed by) _____
William A. Brooks
Commissioner

Ottawa, Canada
September 10, 2012

(original version signed by) _____
Wayne Osborne
Chief Financial Officer

Ottawa, Canada
September 10, 2012

Office of the Commissioner for Federal Judicial Affairs Canada
Statement of Financial Position (Unaudited)
As at March 31
(in dollars)

	<u>2012</u>	<u>2011</u>
Liabilities		
Accounts payable and accrued liabilities (Note 4)	\$ 1,801,912	\$ 2,400,961
Vacation pay and compensatory leave	308,472	309,169
Judges' Supplementary Retirement Benefits Account (Note 5)	176,414,877	166,966,191
Employee future benefits (Note 6b)	<u>604,911</u>	<u>1,171,287</u>
Total Liabilities	179,130,172	170,847,608
Financial assets		
Due from Consolidated Revenue Fund	3,517,331	4,274,224
Accounts receivable and advances (Note 7)	<u>1,261,416</u>	<u>1,191,417</u>
Total financial assets	4,778,747	5,465,641
Departmental net debt	174,351,425	165,381,967
Non-financial assets		
Prepaid expenses	236,625	410,858
Tangible capital assets (Note 8)	<u>196,148</u>	<u>279,900</u>
Total non-financial assets	432,773	690,758
Departmental net financial position	<u>\$ 173,918,652</u>	<u>\$ 164,691,209</u>

The accompanying notes form an integral part of these financial statements.

William A. Brooks
Commissioner

Ottawa, Canada
September 10, 2012

Wayne Osborne
Chief Financial Officer

Ottawa, Canada
September 10, 2012

Office of the Commissioner for Federal Judicial Affairs Canada
Statement of Operations and Departmental Net Financial Position (Unaudited)
For the Year Ended March 31
(in dollars)

	2012 Planned	2012	2011 Restated (Note 11)
Expenses			
Payments Pursuant to the <i>Judges' Act</i>	\$ 451,746,883	\$ 459,992,645	\$ 442,896,938
Federal Judicial Affairs	10,242,872	9,651,282	9,153,213
Canadian Judicial Council	2,099,523	2,246,799	1,992,620
Internal Services	918,751	920,190	913,050
Total expenses	465,008,029	\$472,810,916	454,955,821
Revenues			
Payments Pursuant to the <i>Judges' Act</i>	13,866,254	13,627,964	13,373,817
Federal Judicial Affairs	175,000	209,409	206,848
Total revenues	14,041,254	13,837,373	13,580,665
Net cost of operations before government funding	450,966,775	458,973,543	441,375,156
Government funding			
Net cash provided by Government	438,064,232	448,770,845	427,389,934
Change in due from Consolidated Revenue Fund	(203,419)	(756,893)	1,337,231
Services provided without charge by other government departments (Note 9a)	1,702,665	1,732,147	1,606,283
Net cost of operations after government funding	11,403,297	9,227,444	11,041,708
Departmental net financial position – Beginning of year	164,734,835	164,691,209	153,649,501
Departmental net financial position – End of year	\$ 176,138,132	\$ 173,918,652	\$ 164,691,209

Segmented information (Note 10).

The accompanying notes form an integral part of these financial statements.

Office of the Commissioner for Federal Judicial Affairs Canada
Statement of Change in Department Net Debt (Unaudited)
For the Year Ended March 31
(in dollars)

	<u>2012 Planned</u>	<u>2012</u>	<u>2011</u>
Net cost of operations after government funding	\$11,403,297	\$9,227,444	\$11,041,708
Change due to tangible capital assets			
Acquisition of tangible capital assets	102,523	41,846	94,327
Amortization of tangible capital assets	(93,138)	(125,599)	(93,138)
Proceeds from disposal of tangible capital assets	-	-	452
Total change due to tangible capital assets	9,385	(83,753)	1,641
Change due to prepaid expenses	65,344	(174,233)	264,354
Net increase (decrease) in departmental net debt	11,478,026	8,969,458	11,307,703
Departmental net debt – Beginning of year	165,178,562	165,381,967	154,074,264
Departmental net debt – End of year	\$ 176,656,588	\$ 174,351,425	\$ 165,381,967

The accompanying notes form an integral part of these financial statements.

Office of the Commissioner for Federal Judicial Affairs Canada
Statement of Cash Flows (Unaudited)
For the Year Ended March 31
(in dollars)

	<u>2012</u>	<u>2011</u>
Operating activities		
Net cost of operations before government funding	\$ 458,973,543	\$ 441,375,156
Non-cash items:		
Amortization of tangible capital assets (Note 8)	(125,599)	(93,138)
Services provided without charge by other government departments (Note 9a)	(1,732,147)	(1,606,283)
Variations in Statement of Financial Position:		
Increase (decrease) in accounts receivables and advances	69,999	(2,505,275)
Increase (decrease) in prepaid expenses	(174,233)	264,354
Decrease (increase) in liabilities	599,049	(571,618)
Decrease (increase) in vacation pay and compensatory	697	14,184
Decrease (increase) in future employee benefits	566,376	162,832
Decrease (increase) in Judges' Supplementary Benefits Accounts	(9,448,686)	(9,744,605)
	<u>448,728,999</u>	<u>427,295,607</u>
Cash used by operating activities		
Capital investing activities		
Acquisition of tangible capital assets (Note 8)	41,846	94,327
	<u>448,770,845</u>	<u>427,389,934</u>
Net cash provided by Government of Canada		

The accompanying notes form an integral part of these financial statements.

Office of the Commissioner for Federal Judicial Affairs Canada
Notes to the Financial Statements (unaudited)
Year ended March 31, 2012

1. Authority and Objectives

The Office of the Commissioner for Federal Judicial Affairs (FJA) Canada was created in 1978 under the authority of the *Judges Act* to safeguard the independence of the Judiciary and to put federally appointed judges at arm's length from the administration of the Department of Justice. It exists to promote better administration of justice and focuses its efforts on providing a sound support role to the federal judiciary.

It administers three distinct and separate components that are funded from three very distinct sources. Statutory funding is allocated for the judges' salaries, allowances and annuities and surviving beneficiaries' benefits. Vote authorities are provided in two separate votes to support the administrative activities of the Office of the Commissioner and the administrative activities of the Canadian Judicial Council.

The administration of the Office of the Commissioner is structured to reflect the distinctiveness of its role in supporting federal judicial activities. Under the Program Activity Architecture, the organization is broken down into three program activities: Payments Pursuant to the *Judges Act*; Canadian Judicial Council; and Federal Judicial Affairs (FJA).

These activities strive to meet our priorities of: developing organizational capacity; building a strong, integrated team; improving service delivery; enhancing communications; and managing information.

2. Summary of Significant Accounting Policies

These financial statements have been prepared using the Government's accounting policies stated below, which are based on Canadian public sector accounting standards. The presentation and results using the stated accounting policies do not result in any significant differences from Canadian public sector accounting standards.

Significant accounting policies are as follows:

- (a) Parliamentary authorities - FJA is financed by the Government of Canada through Parliamentary authorities. Financial reporting of authorities provided to FJA do not parallel financial reporting according to generally accepted accounting principles since authorities are primarily based on cash flow requirements. Consequently, items recognized in the Statement of Operations and Departmental Net Financial Position and in the Statement of Financial Position are not necessarily the same as those provided through authorities from Parliament. Note 3 provides a reconciliation between these bases of reporting. The planned results amounts in the Statement of Operations and Departmental Net Financial Position are the amounts reported in the future-oriented financial statements included in the *2011-12 Reports on Plans and Priorities*.
- (b) Net Cash Provided by Government - FJA operates within the Consolidated Revenue Fund (CRF), which is administered by the Receiver General for Canada. All cash received by FJA is deposited to the CRF and all cash disbursements made by departments are paid from the CRF. The net cash provided by the Government is the difference between all cash receipts and all cash disbursements including transactions between departments of the Government.
- (c) Amounts due from/to the CRF are the result of timing differences at year-end between when a transaction affects authorities and when it is processed through the CRF. Amounts due from the CRF represent the net amount of cash that FJA is entitled to draw from the CRF without further authorities to discharge its liabilities.
- (d) Revenues - Revenues are accounted for in the period in which the underlying transaction or event that gave rise to the revenue takes place.

Office of the Commissioner for Federal Judicial Affairs Canada
Notes to the Financial Statements (unaudited)
Year ended March 31, 2012

(e) Expenses - Expenses are recorded on the accrual basis:

Vacation pay and compensatory leave are accrued as the benefits are earned by the employees under their respective terms of employment.

Services provided without charge by other government departments for accommodation and the employer's contribution to the health and dental insurance plans are recorded as operating expenses at their estimated costs.

(f) Employee and federally appointed judges' future benefits

(i) Pension benefits: Eligible employees participate in the Public Service Pension Plan (PSSA), a multiemployer pension plan administered by the Government. FJA's contributions to the Plan are charged to expenses in the year incurred and represent the total departmental obligation to the Plan. FJA's responsibility with regard to the Plan is limited to its contributions. Current legislation does not require FJA to make contributions for any actuarial deficiencies of the Plan.

(ii) Severance benefits: Employees entitled to severance benefits under labour contracts or conditions of employment earn these benefits as services necessary to earn them are rendered. The obligation relating to the benefits earned by employees is calculated using information derived from the results of the actuarially determined liability for employee severance benefits for the Government as a whole.

(iii) Federally appointed judges' pension benefits: Eligible federally appointed judges and their survivors are entitled to fully indexed annuities providing that the judges meet minimum age and service requirements. The main benefits paid from this plan are recorded on a pay-as-you-go basis. They are included in the Statement of Operations and Departmental Net Financial Position as a component of salaries and benefits, and the judges' contributions are credited to revenue. Contributions made by FJA and the judges pertaining to the portion of the plan that relates to indexation of benefits is recorded in a Supplementary Retirement Benefits Account, which is presented in the Statement of Financial Position. FJA's contribution towards indexation is expensed at the time it is accrued in accordance with the *Supplementary Retirement Benefits Act*. The actuarial liability associated with the judges' pension plan is recorded in the financial statements of the Government of Canada, the ultimate sponsor of the plan.

(g) Accounts and loans receivables are stated at the lower of cost and net recoverable value. A valuation allowance is record for receivables where recovery is considered uncertain.

(h) Tangible capital assets - All tangible capital assets and leasehold improvements having an initial cost of \$5,000 or more are recorded at their acquisition cost. FJA does not capitalize intangibles, works of art, and historical treasures that have cultural, aesthetic or historical value, assets located on Indian Reserves and museum collections.

Amortization of tangible capital assets is done on a straight-line basis over the estimated useful life of the asset as follows:

Asset Class	Amortization Period
Machinery & Equipment	5 to 10 years
Furniture	10 years
Informatics Hardware	3 years
Software	3 years

Office of the Commissioner for Federal Judicial Affairs Canada
Notes to the Financial Statements (unaudited)
Year ended March 31, 2012

- (i) Measurement of uncertainty - The preparation of these financial statements requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues, and expenses reported in the financial statements. At the time of preparation of these statements, management believes the estimates and assumptions to be reasonable. The most significant items where estimates are used are the liability for employee future benefits and the useful life of tangible capital assets. Actual results could significantly differ from those estimated. Management's estimates are reviewed periodically and, as adjustments become necessary, they are recorded in the financial statements in the year they become known.

3. Parliamentary Authorities

FJA receives most of its funding through annual parliamentary authorities. Items recognized in the Statement of Operations and Departmental Net Financial Position and the Statement of Financial Position in one year may be funded through parliamentary authorities in prior, current or future years. Accordingly, FJA has different net results of operations for the year on a government funding basis than on an accrual accounting basis. The differences are reconciled in the following tables:

(a) Reconciliation of net cost of operations to current year authorities used

<i>(in dollars)</i>	2012	2011
Net cost of operations before government funding	458,973,544	441,375,156
Adjustment for items affecting net cost of operations but not affecting authorities:		
Services provided without charge by other government departments (Note 9a)	(1,732,147)	(1,606,283)
Decrease (increase) in employee future benefits	566,376	162,832
Amortization of tangible capital assets (Note 8)	(125,599)	(93,138)
Decrease (increase) in vacation pay and compensatory leave	697	14,184
Judges' pension contributions	13,627,964	13,373,817
Refund of prior years' expenditures	<u>4,705</u>	<u>678</u>
Total items affecting net cost of operations but not affecting authorities	12,341,996	11,852,090
Adjustments for items not affecting net cost of operations but affecting authorities:		
Acquisitions of tangible capital assets	41,846	94,327
Proceeds from disposal of crown assets	-	452
Decrease (increase) in prepaid expenses	<u>(174,233)</u>	<u>264,354</u>
Total items not affecting net cost of operations but affecting authorities	(132,387)	359,133
Current year authorities used	<u>471,183,153</u>	<u>453,586,379</u>

(b) Authorities provided and used

<i>(in dollars)</i>	2012	2011
Authorities provided:		
Vote 20 - Operating expenditures - FJA	9,346,666	8,599,759
Vote 25 - Operating expenditures - CJC	1,754,600	1,703,166
Statutory amounts	460,747,451	444,096,879
Less:		
Authorities available for future years	-	(452)
Lapsed: Operating	(665,564)	(812,973)
Current year authorities used	<u>471,183,153</u>	<u>453,586,379</u>

Office of the Commissioner for Federal Judicial Affairs Canada
Notes to the Financial Statements (unaudited)
Year ended March 31, 2012

4. Accounts payable and accrued liabilities

The following table presents details of FJA's accounts payable and accrued liabilities:

<i>(in dollars)</i>	2012	2011
Accounts payable - Other government departments and agencies	249,790	188,305
Accounts payable - External parties	<u>1,512,572</u>	<u>2,182,730</u>
Total accounts payable	1,762,362	2,371,035
Accrued liabilities	39,550	29,926
Total accounts payable and accrued liabilities	<u>1,801,912</u>	<u>2,400,961</u>

5. Judges' Supplementary Retirement Benefits Account

<i>(in dollars)</i>	2012	2011
Liability, beginning of year	166,966,191	157,221,586
Contributions	6,226,572	5,939,724
Interest	3,222,114	3,804,881
Liability, end of year	<u>176,414,877</u>	<u>166,966,191</u>

The pension plan for federally appointed judges provides fully indexed annuities to judges and to all eligible survivors providing they meet minimum age and service requirements. Unlike other pension plans, the judges' plan lacks an explicit accrual rate for benefits. Instead the full benefit amount is generally payable when the member has completed 15 years of pensionable service and the total of the member's age and years of service totals 80. Judges who elect Supernumerary Status or judges who qualify for retirement make required contributions of 1% of salary. All other judges make contributions of 7% of salary.

The main benefits from this plan are expensed on a pay-as-you-go basis. However, by virtue of the *Supplementary Retirement Benefits Act*, for the portion of the plan that relates to indexation of benefits, the 1% portion of salary contributed by the judges is recorded in a Supplementary Retirement Benefits Account, along with a matching contribution of 1% recorded by FJA. In addition, interest is accrued on the outstanding balance of the Account. The actuarial liability associated with the judges' pension plan is recorded in the financial statements of the Government of Canada.

6. Employee future benefits

(a) Pension benefits

FJA's employees participate in the Public Service Pension Plan, which is sponsored and administered by the Government. Pension benefits accrue up to a maximum period of 35 years at a rate of 2 percent per year of pensionable service, times the average of the best five consecutive years of earnings. The benefits are integrated with Canada/Québec Pension Plans' benefits and they are indexed to inflation.

Both the employees and FJA contribute to the cost of the Plan. The 2011-12 expense amounts to \$678,924 (\$650,912 in 2010-11), which represents approximately 1.8 times (1.9 in 2010-11) the contributions by employees.

FJA's responsibility with regard to the Plan is limited to its contributions. Actuarial surpluses or deficiencies are recognized in the financial statements of the Government of Canada, as the Plan's sponsor.

Office of the Commissioner for Federal Judicial Affairs Canada
Notes to the Financial Statements (unaudited)
Year ended March 31, 2012

(b) Severance benefits

FJA provides severance benefits to its employees based on eligibility, years of service and salary at termination of employment. These severance benefits are not pre-funded. Benefits will be paid from future authorities. Information about the severance benefits, measured as at March 31, is as follows:

As part of collective agreement negotiations with certain employee groups, and changes to conditions of employment for executives and certain non-represented employees, the accumulation of severance benefits under the employee severance pay program ceased for these employees commencing in 2012. Employees subject to these changes have been given the option to be immediately paid the full or partial value of benefits earned to date or collect the full or remaining value of benefits on termination from the public service. These changes have been reflected in the calculation of the outstanding severance benefit obligation.

<i>(in dollars)</i>	2012	2011
Accrued benefit obligation, beginning of year	1,171,287	1,334,119
Expense for the year	22,358	(162,832)
Benefits paid during the year	(588,734)	-
Accrued benefit obligation, end of year	604,911	1,171,287

7. Accounts receivable and advances

The following table presents details of FJA's accounts receivable and advances:

<i>(in dollars)</i>	2012	2011
Receivables - Other government departments and agencies	122,837	256,401
Receivables - External parties	21,221	20,330
Advances	1,117,358	914,686
Total accounts receivable and advances	1,261,416	1,191,417

8. Tangible capital assets

<i>(in dollars)</i>	Cost				Accumulated Amortization				Net Book Value	
	Opening Balance	Acquisitions	Disposals and write-offs	Closing Balance	Opening Balance	Amortization	Disposals and write-offs	Closing Balance	2012	2011
Machinery & Equipment	70,293	-	-	70,293	50,498	5,825	-	56,323	13,970	19,795
Informatics Hardware	520,028	12,014	(61,458)	470,584	412,755	61,716	(61,458)	413,013	57,571	107,272
Software	274,743	-	-	274,743	121,910	57,312	-	179,222	95,521	152,833
Furniture	19,552	29,832	-	49,384	19,552	746	-	20,298	29,086	-
TOTAL	884,616	41,846	(61,458)	865,004	604,715	125,599	(61,458)	668,856	196,148	279,900

9. Related party transactions

FJA is related as a result of common ownership to all Government departments, agencies, and Crown Corporations. FJA enters into transactions with these entities in the normal course of business and on normal trade terms. During the year, FJA received common services which were obtained without charge from other Government departments as disclosed below.

Office of the Commissioner for Federal Judicial Affairs Canada
Notes to the Financial Statements (unaudited)
Year ended March 31, 2012

(a) Common services provided without charge by other government departments

During the year, FJA received services without charge from certain common service organizations related to accommodation and the employer's contribution to the health and dental insurance plans. These services provided without charge have been recorded in FJA's Statement of Operations and Departmental Net Financial Position as follows:

<i>(in dollars)</i>	2012	2011
Accommodation provided by Public Works and Government Services Canada	1,196,855	1,154,285
Contributions covering employer's share of employees' insurance premiums and costs paid by Treasury Board Secretariat	535,292	451,998
Total	<u>1,732,147</u>	<u>1,606,283</u>

The Government has centralized some of its administrative activities for efficiency, cost-effectiveness purposes and economic delivery of programs to the public. As a result the Government uses central agencies and common service organizations so that one department performs services for all other departments and agencies without charge. The costs of these services such as payroll and cheque issuance services provided by Public Works and Government Services Canada, and audit services provided by the Office of the Auditor general are not included in FJA's Statement of Operations and Departmental Net Financial Position.

(b) Other transactions with related parties

<i>(in dollars)</i>	2012	2011
Accounts receivable with other government departments and agencies (Note 7)	122,837	256,401
Accounts payable to other government departments and agencies (Note 4)	249,790	188,305
Expenses – Other Government departments and agencies	1,215,577	1,109,307
Revenues – Other Government departments and agencies	209,409	181,396

Expenses and revenues disclosed in (b) exclude common services provided without charge, which is already disclosed in (a).

Office of the Commissioner for Federal Judicial Affairs Canada
Notes to the Financial Statements (unaudited)
Year ended March 31, 2012

10. Segmented information

Presentation by segment is based on FJA's program activity architecture. The presentation by segment is based on the same accounting policies as described in the Summary of significant accounting policies in Note 2. The following table presents the expenses incurred and revenues generated for the main program activities, by major object of expenses and by major type of revenues. The segment results for the period are as follows:

<i>(in dollars)</i>	Internal Services	Federal Judicial Affairs	Canadian Judicial Council	<i>Judges' Act</i>	2012 Total	2011 Total
Operating Expenses						
Salaries and employee benefits	647,190	5,356,863	1,608,016	424,516,641	432,128,710	413,081,366
Transportation and telecommunication	66,810	604,033	102,548	28,739,286	29,512,677	31,459,185
Information	7,145	156,507	3,122	7,566	174,340	91,225
Professional and special services	144,014	2,688,570	162,730	841,506	3,836,820	3,311,845
Accommodation (Note 9a)	-	947,913	248,942	-	1,196,855	1,154,285
Rental	11,970	62,253	18,489	22,382	115,094	95,579
Repairs and maintenance	28,058	39,675	49,816	-	117,549	85,174
Utilities, materials and supplies	-	64,373	10,967	8,239	83,579	93,406
Machinery and equipment	15,003	88,865	41,119	-	144,987	208,608
Amortization (Note 7)	-	125,599	-	-	125,599	93,138
Other subsidies/payments	-	(483,369)	1,050	5,857,025	5,374,706	5,282,010
Total operating expenses	920,190	9,651,282	2,246,799	459,992,645	472,810,916	454,955,821
Total Expenses	920,190	9,651,282	2,246,799	459,992,645	472,810,916	454,955,821
Revenues						
Pension contribution*	-	-	-	13,627,964	13,627,964	13,373,817
User charges	-	209,409	-	-	209,409	206,396
Other revenue	-	-	-	-	-	452
Total Revenues	-	209,409	-	13,627,964	13,837,373	13,580,665
Net Cost of Operations	920,190	9,441,873	2,246,799	446,364,681	458,973,543	441,375,156

*Judges' pension contribution credited to revenue

11. Accounting changes

During 2011, amendments were made to *Treasury Board Accounting Standard 1.2—Departmental and Agency Financial Statements* to improve financial reporting by government departments and agencies. The amendments are effective for financial reporting of fiscal years ending March 31, 2012, and later. The significant changes to the Department's financial statements are described below. These changes have been applied retroactively, and comparative information for 2010-11 has been restated.

Net debt (calculated as liabilities less financial assets) is now presented in the Statement of Financial Position. Accompanying this change, the Department now presents a Statement of Change in Net Debt and no longer presents a Statement of Equity.

Office of the Commissioner for Federal Judicial Affairs Canada
Notes to the Financial Statements (unaudited)
Year ended March 31, 2012

Revenue and related accounts receivable are now presented net of non-respendable amounts in the Statement of Operations and Departmental Net Financial Position and Statement of Financial Position. The effect of this change on FJA is minimal. FJA's revenue and related accounts receivable do not include non-respendable amounts.

Government funding, as well as the credit related to services provided without charge by other government departments, are now recognized in the Statement of Operations and Departmental Net Financial Position below "Net cost of operations before government funding". In previous years, the Department recognized these transactions directly in the Statement of Equity of Canada. The effect of this change was to decrease the net cost of operations after government funding by \$430,333,448 for 2012 (\$449,746,099 for 2011).

Statement of Operations and Departmental Net Financial Position:

<i>(in dollars)</i>	<u>2011</u>	<u>Effect of Change</u>	<u>2011 Restated</u>
Government funding:			
Net cash provided by Government	0	427,389,934	427,389,934
Change in due from Consolidated Revenue Fund	0	1,337,231	1,337,231
Services provided without charge by other government departments	0	1,606,283	1,606,283